

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 2433 – County Treasurer Licensing Moneys (LSB 5868 HV.1)

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Fiscal Note Version – House File 2433 as Amended and Passed by the House

Description

House File 2433, as amended and passed by the House, provides that County Treasurers will retain \$7.00 instead of \$5.00 for each issuance or renewal of a driver's license or nonoperator identification card effective FY 2005. The Bill repeals the July 1, 2005, expiration date set forth in SF 97 (FY 2004 DOT Omnibus Act).

House File 2433, as amended and passed by the House, requires the State Auditor, in consultation with the Department of Transportation and the Iowa County Treasurers Association, to conduct a study on the fiscal impact of the County Driver's License Issuance Program. The Bill requires the State Auditor to report its findings and recommendations to the General Assembly prior to January 1, 2006, and to repeat the study and reporting every four years thereafter. The findings and recommendations submitted by the State Auditor will be considered by the General Assembly in adjusting the amount of fees retained by County Treasurers for issuance of driver's licenses and nonoperator identification cards. The State Auditor's costs for conducting the study will be paid by the Department of Transportation.

Assumptions

1. Prior to FY 2004, counties that issued drivers' licenses or nonoperator identification cards through County Treasurer offices retained \$3.75 for each license or card issued. The moneys were deposited into the counties' general fund. Remaining moneys were remitted to the Department of Transportation and credited to the Road Use Tax Fund.
2. Senate File 97, enacted by the 2003 General Assembly, allowed County Treasurers to retain \$5.00 instead of \$3.75 for each driver's license or nonoperator identification card issued in FY 2004 and FY 2005 only. The total amount collected is deposited into the counties' general fund. Remaining moneys are remitted to the Department of Transportation and credited to the Road Use Tax Fund.
3. There are currently 81 counties that issue drivers' licenses and nonoperator identification cards through County Treasurer offices. The Department of Transportation issues licenses and cards from permanent stations in the remaining 18 counties.
4. In the first six months of FY 2004, an estimated 604,000 drivers' licenses and nonoperator identification cards were issued. Of that amount, an estimated 214,000 (35.4%) were issued through County Treasurer offices, while 390,000 (64.6%) were issued by the Department of Transportation.
5. The number of drivers' licenses and nonoperator identification cards issued in the second half of FY 2004 and in subsequent years will be equal to the number issued in the first half of FY 2004.

Fiscal Impact

The estimated fiscal impact of HF 2433, as amended and passed by the House, is an increase in revenue of \$856,000 to the general fund of counties and a decrease of the same amount to the Road Use Tax Fund in FY 2005 and beyond. The counties' general fund increase includes the 81 counties that issue drivers' licenses and nonoperator identification cards through County Treasurer offices.

The State Auditor's cost for conducting the study is unknown. The cost of the study will be paid from a combination of Road Use Tax Fund and Primary Road Fund moneys.

Source

Department of Transportation

Dennis C Prouty

March 22, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
